

COASTAL CONSERVANCY

Staff Recommendation

April 27, 2006

FEDERAL GOVERNMENTAL LIAISON

File No. 06-032

Project Manager: Sam Schuchat

RECOMMENDED ACTION: Authorization to enter into a two-year contract for up to \$250,000 with a consulting firm which will assist the State Coastal Conservancy with federal appropriations, authorization processes and implementation of Conservancy projects by federal agencies.

LOCATION: Statewide

PROGRAM CATEGORY: Administration

EXHIBITS

Exhibit 1: Map of Projects with Significant Federal Involvement

Exhibit 2: Letters of Support

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31100 *et seq.* of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed two hundred fifty thousand dollars (\$250,000) to provide for assistance with the State Coastal Conservancy’s projects that have a federal component. Representation of projects will include advocacy during federal appropriations and authorization processes and with federal agency staff.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with Public Resources Code Sections 31103 and 31104, regarding the Executive Officer’s authority to carry out the purposes of Division 21 and the Conservancy’s ability to apply for and accept federal grants and receive other financial support from public sources and 14 California Code of Regulations 13734 regarding the Executive Officer’s authority to administer the affairs of the Conservancy.

2. The project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.”
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PROJECT SUMMARY:

This authorization would enable the Conservancy to enter into a two-year contract for up to \$250,000 with a consulting firm, which will assist the Conservancy with projects which have significant federal involvement. The consulting firm will follow Conservancy projects during federal appropriations and authorization processes. In addition, the consulting firm will advocate for Conservancy projects with federal agencies involved in federally-funded Conservancy projects. The consulting firm will also keep the Conservancy informed of major federal developments that would affect Conservancy projects, such as the progress of appropriation or authorization bills.

The Conservancy has numerous large projects with significant federal involvement, including Upper Newport Bay, Matilija Dam, South San Francisco Bay Shoreline Study, Napa River Salt Marsh, and Hamilton Airfield and Bel Marin Keys. These projects cannot be planned and constructed without annual federal funding. Several of these projects need to be authorized in the Water Resources Development Act before they can move from planning to construction. In addition, these projects often need internal approvals by top-level officials at agencies such as the Office of Management and Budget or the U.S. Army Corps of Engineers. The consulting firm contracted using these authorized funds would represent the Conservancy’s needs and interests to Congressional representatives and their staff, administration staff, and agency staff. The consulting firm would also organize meetings for Conservancy staff in Washington, D.C.

In the winter of 2005 the Conservancy was experiencing significant difficulties in getting federal money appropriated to federal agencies for previously authorized projects. After discussions with local agencies and special districts in California that have hired consulting firms to represent them, the Conservancy decided to experimentally try hiring a consultant to assist with federal projects locally, in Washington, D.C. In March 2005 the Executive Officer released a Request for Proposals within his delegated authority and interviewed several firms and selected the Carmen Group. The Carmen Group will continue to represent the Conservancy under this contract through the end of May, 2006. With Board authorization, a second Request for Proposals will be released and interviews will be conducted prior to selecting a firm to conduct work under this authorization.

Having local assistance in Washington, D.C. to advocate for Conservancy projects has resulted in significant federal funding for Conservancy projects, inclusion of language favorable for Conservancy projects in the upcoming Water Resources Development Act, as well as assistance in working with federal agencies.

For Federal Fiscal Year 2006, which began October 1, 2005, Conservancy projects received the following appropriations, due in part to the efforts of the Conservancy’s consultant:

- Upper Newport Bay (construction) \$5 million
- Hamilton Bel-Marin Wetlands Restoration (construction) \$13 million

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• Napa River Salt Marsh (planning)	\$125,000
• Matilija Dam (planning)	\$800,000
• South San Francisco Bay Shoreline (planning)	\$600,000
Total	\$19,525,000

These projects would have assuredly received less funding if the Conservancy had not had this assistance. For example, Upper Newport Bay received \$0 in the President's Budget and the Office of Management and Budget had issued a letter stating that the project was not a priority. Napa River Salt Marsh also was budgeted for \$0 in the President's Budget and was increased thanks to the support of Senator Feinstein and Congressman Thompson.

As the House and Senate have worked on the Water Resources Development Act over the past year, the consultant has ensured that language necessary to construct the Napa River Salt Marsh, Bel Marin Keys, and Matilija Dam are included. The consultant worked with Congressional and Energy and Water Committee staff on special language providing such things as crediting for non-federal funds expended in advance of project authorization.

The Conservancy's consultant has accelerated the review and approval of federal agency documents. The Preconstruction Engineering and Design Agreement between the Corps and the Conservancy for Napa River Salt Marsh Project is being accelerated in order to ensure that it is signed before the Conservancy's funds expire at the end of the State Fiscal Year on June 30, 2006. The Project Cooperation Agreement with the Corps for Upper Newport Bay, an agreement necessary for construction to commence, was signed during the Labor Day recess in 2005, allowing for contracts to be issued before federal funds reverted at the end of the Federal Fiscal Year on September 30.

The services of a consulting firm also reduces the need for Conservancy staff to make trips to Washington, D.C. on behalf of projects, and ensures that the visits that are necessary are used most effectively. In comparison with previous trips to Washington, D.C., Conservancy staff have been able to meet with more Congressional offices, with the Chairs or Ranking Members of relevant committees, and often with the members of Congress themselves. For example, the Executive Officer's last trip to Washington, D.C. in February of 2006 included a visit with Congressman Dave Hobson, the Chairman of the Energy and Water Development Appropriations Subcommittee (the subcommittee responsible for the Corps' budget). The Executive Officer was able to brief Congressman Hobson on the Conservancy's projects with the U.S. Army Corps of Engineers.

In summary, the investment in federal representation has resulted in funding, authorization language, and other assistance on some of the Conservancy's most significant and complex projects.

PROJECT FINANCING:

Coastal Conservancy	\$250,000
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The anticipated funding source is the Coastal Conservancy Fund of 1976. This funding is available for administration and support of Conservancy projects, provided that the

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Conservancy's costs do not exceed 1.5% of each project's allocation. No State of California bond funds or federal funds will be used to fund this project.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

This project would be undertaken pursuant to Chapters 3, 4.5, and 6 of the Conservancy's enabling legislation, Division 21 of the Public Resources Code.

The Conservancy is authorized under Section 31104 of the Public Resources Code to apply for and accept federal grants and receive other financial support from public sources. This authorization would enable to the Conservancy to advocate for federal funding for projects.

The proposed authorization would assist with implementation of Public Resources Code Section 31160, *et seq.*, regarding the Conservancy's authority to address the resource goals of San Francisco Bay Area, Section 31220, regarding the Conservancy's authority to restore fish and wildlife habitat within coastal watersheds, and Section 31251, *et seq.*, regarding the Conservancy's authority to conduct enhancement projects within the coastal zone. All of the projects that would be represented in Washington, D.C. involve restoration or enhancement of habitat either in the nine-county San Francisco Bay Area, in coastal watersheds, or in the coastal zone.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** This authorization would provide for representation in Washington, D.C. of projects that are supported by many organizations and agencies. In addition, the consulting firm selected to represent the projects could help direct stakeholders and supporters to most effectively advocate for federal funds or authorization language.
4. **Location:** All of the Conservancy's federally-funded projects that would be represented by a consulting firm under this authorization are located within the coastal zone, a coastal watershed, or the nine-county San Francisco Bay region.
5. **Need:** Without this authorization, less or no federal funds would be appropriated for current Conservancy projects and the Conservancy's interests would not be represented in the Water Resources Development Act. Delays and funding lags significantly increase the complexity and cost of these projects. Ultimately greater amounts of State of California or other non-federal dollars would be needed or projects would be slowed down or stopped.

6. **Greater-than-local interest:** All of the Conservancy's federally-funded projects are of national interest. For example, Matilija Dam, Upper Newport Bay, Napa River Salt Marsh, Hamilton Airfield, and Bel Marin Keys have been analyzed by the U.S. Army Corps of Engineers and have been determined to be worthy of federal investment. The Matilija Dam project has received national recognition for its engineering and design phase.

Additional Criteria

7. **Urgency:** The Conservancy's federally funded projects have typically been in planning for many years, have been determined to be of national significance, and have been delayed due to lack of federal funding or Congressional authorization. Federal representation will assist the Conservancy with completing large, complex projects in a timely fashion.
8. **Resolution of more than one issue:** Many of the Conservancy's federally funded projects resolve more than one issue. As a few examples: Napa River Salt Marsh combines ecosystem restoration, recycled water reuse, and public access; South San Francisco Bay Shoreline Study combines ecosystem restoration, flood management, and public access; Hamilton Airfield and Bel Marin Keys combine ecosystem restoration and dredge material reuse.
9. **Leverage:** See the "Project Summary" section above.
13. **Realization of prior Conservancy goals:** See "Urgency" and "Project Summary" above. The Conservancy has invested significant funds in all of these federally funded projects.
14. **Return to Conservancy:** See the "Project Financing" section above.
15. **Cooperation:** Each of the Conservancy's federally funded projects involves numerous partners. As an example, the Santa Clara Valley Water District has signed the Feasibility Cost Share Agreement with the Conservancy and the U.S. Army Corps of Engineers. Another example is the Port of Oakland's interest in Hamilton Airfield as a site that can be used for dredge material reuse.

COMPLIANCE WITH CEQA:

Under 14 California Code of Regulations Section 15306, basic data collection, research, and resource evaluation activities that do not result in a serious or major disturbance to an environmental resource are categorically exempt from California Environmental Quality Act review. This contract will not result in disturbance of an environmental resource.